

CITY OF FRANKLIN

TIF DISTRICTS

The City of Franklin has three operating Tax Incremental Financing (TIF) Districts. TIF Districts exist to assist in the development of a particular area. They receive the increase in tax revenue that is generated from the increase in development that occurs in that area. The City has asked its Community Development Authority (CDA) to act as agent of the City (i) in planning and carrying out any community development programs and activities approved by the Mayor and Common Council within the TIF Districts. The tax levy generated by the increase in assessed value in the TIF District's is the main source of revenue for the TIF District's. Expenditures consistent with approved Project Plans may be incurred until a time determined by State statute.

TIF District #2

In July 1992, the City of Franklin adopted Resolution 92-3830 establishing a Community Development Authority (CDA) under Sections 66.4325 and 66.431 of the Wisconsin Statutes. The powers of the CDA, under the Community Development Authority Law, include its power to issue revenue bonds to provide financing for qualified redevelopment projects to be constructed by private developers, including by way of illustration but not limitation the following public benefits: the elimination or prevention of substandard, deteriorated, unsanitary, and blighted areas; the provision and retention of gainful employment opportunities for the citizens of the City; increase in the City's tax base; and the stimulation of the flow of investment capital into the City with resultant beneficial effects upon the economy in the City.

In TIF District #2 the Franklin CDA is to provide for the administration of applicable laws within Planned District Development (PDD) #18 including the review and approval of land use and of sites and building plans. THE CDA is authorized to issue debt including lease revenue bonds, to finance projects of the character of the Franklin Business Park (FBP), to accept contributions of property, and to lease and/or sell such property. The CDA entered into a Development Agreement with MLG Development originally in July, 1993 and continuous through a Sixth Amendment dated January, 2006, the CDA also with MLG is doing what they can to increase the values of properties located in TIF District 2 (Franklin Business Park). The CDA, the City and MLG, cooperate with each other in the marketing of land in the FBP to prospective businesses of the FBP.

The CDA lease revenue debt due after 2008 was refinanced in 2006 with City issued General Obligation Notes with the CDA making the debt service payments on the new debt while realizing a debt service saving to the CDA of \$420,000.

The latest annual projections show \$45.9 million in the costs of infrastructure and financing costs over the life of the TIF will be incurred, anticipates \$188.3 million in development within the District which will provide the tax levy and other sources of revenue to pay off the debt issued to support the projects. Those projections indicate that there will be enough revenue collected to retire all remaining TIF District #2 debt in 2011. The following year the tax revenue will be available to the taxing districts.

TIF District #3

In June 2005, the City of Franklin adopted Resolution 2005-5906 establishing TIF District #3. The TIF District is generally from Rawson Avenue to just south of Drexel Avenue and from 27th Street to 35th Street. The main purpose of the TIF District is to improve road infrastructure in the district to promote quality development. The latest projection anticipates \$15.7 million in the costs of infrastructure created, \$4.9 million in financing costs and anticipates \$219 million in development within the District. The debt issued will pay for the infrastructure with tax revenue created by the development paying off the debt. The plan anticipates that the debt will be paid off and TIF District closed by 2014. The following year the tax revenue will be available to the taxing districts.

TIF District #4

In June 2005, the City of Franklin adopted Resolution 2005-5907 establishing TIF District #4. The TIF District is generally from 27th Street to the Oakwood Golf Course then south to the Racine County line. The main purpose of the TIF District is to improve road and sanitary sewer infrastructure in the district to promote quality development. The plan anticipates \$22.7 million in the costs of infrastructure created and anticipates \$181 million in development within the District. The debt will pay for the infrastructure with tax revenue created by the development paying off the debt. The project plan anticipates that the debt will be paid off and TIF District closed by 2023. The following year the tax revenue will be available to the taxing districts.

TIF District's Outstanding Debt

General obligation note proceeds are provided to the TIF Districts directly or through interfund advances for a shared issuance (2005) with similar terms to the general obligation notes issued by the City. The schedule of 2007 outstanding debt maturities shows the amounts borrowed, the balance outstanding and annual debt service payment obligations for the next several years.

In August 2008 TIF District #3 issued \$10 million in new tax exempt debt. The proceeds of this issue allowed TIF District #3 to repay its line of credit of \$4 million and reduced its interfund advance by \$6 million. The \$6 million in interfund advance returned to the Debt Service Fund was reissued to TIF District #4 - \$3.5 million and the Capital Improvement Fund - \$2.5 million.

City of Franklin
Tax Incremental Financing Districts
Outstanding Debt Maturities

Date Amount	Purpose of borrowing Interest rate	Payment Dates	Balance 12/31/2008	2009	2010	2011	2012	2013	2014	2015
TIF #2 City of Franklin General Obligation Notes										
1/1/2006	Refinancing Debt									
\$10,000,000	Principal	3/1	10,000,000	2,300,000	3,000,000	4,700,000				
	Interest 3.5% to 4.0%	3/1, 9/1		348,250	248,000	94,000				
	Total Principal			2,300,000	3,000,000	4,700,000	-	-	-	-
	Total Interest			348,250	248,000	94,000	-	-	-	-
Population 33,380	Annual Debt Payment	Per Capita 79		\$ 2,648,250	\$ 3,248,000	\$ 4,794,000	\$ -	\$ -	\$ -	\$ -
	TIF No. 2 Debt Total	300	\$ 10,000,000	\$ 7,700,000	\$ 4,700,000	\$ -	\$ -	\$ -	\$ -	\$ -
TIF #3 Interfund Advance by City of Franklin										
8/15/2005	Capital improvements									
\$4,000,000	Principal	3/1	\$ 700,000	200,000	150,000	100,000	150,000	100,000		
	Interest 4.55%	3/1, 9/1		22,650	15,788	11,400	6,713	1,950		
	Total Principal			200,000	150,000	100,000	150,000	100,000		
	Total Interest			22,650	15,788	11,400	6,713	1,950		
10/1/2007	Capital improvements Taxable Notes									
\$10,000,000	Principal	3/1	\$ 9,400,000	615,000	625,000	640,000	655,000	670,000	6,195,000	
	Interest 4.95%	3/1, 9/1		450,079	419,389	388,080	356,029	323,235	153,326	
	Total Principal			615,000	625,000	640,000	655,000	670,000	6,195,000	
	Total Interest			450,079	419,389	388,080	356,029	323,235	153,326	
9/1/2008	Capital improvements Tax Exempt Notes									
\$3,500,000	Principal	3/1	\$ 10,000,000	200,000	800,000	1,000,000	2,000,000	2,500,000	3,500,000	
	Interest 4.5%	3/1, 9/1		365,042	345,000	315,500	261,500	178,125	65,625	
	Total Principal			200,000	800,000	1,000,000	2,000,000	2,500,000	3,500,000	
	Total Interest			365,042	345,000	315,500	261,500	178,125	65,625	
Population 33,380	Annual Debt Payment	Per Capita 56		\$ 1,015,000	\$ 1,575,000	\$ 1,740,000	\$ 2,805,000	\$ 3,270,000	\$ 9,695,000	
	TIF No. 3 Debt Total	602	\$ 20,100,000	\$ 19,085,000	\$ 17,510,000	\$ 15,770,000	\$ 12,965,000	\$ 9,695,000	\$ -	\$ -
TIF #4 Interfund Advance by City of Franklin										
8/15/2005	Capital improvements									
\$3,000,000	Principal	3/1	\$ 5,000,000	337,000	400,000	525,000	700,000	875,000	1,038,000	1,125,000
	Interest 4.55%	3/1, 9/1		185,738	171,920	154,576	131,607	101,420	64,116	21,938
	Total Principal			337,000	400,000	525,000	700,000	875,000	1,038,000	1,125,000
	Total Interest			185,738	171,920	154,576	131,607	101,420	64,116	21,938
Population 33,380	Annual Debt Payment	Per Capita 16		\$ 522,738	\$ 571,920	\$ 679,576	\$ 831,607	\$ 976,420	\$ 1,102,116	\$ 1,146,938
	TIF No. 4 Debt Total	150	\$ 5,000,000	\$ 4,663,000	\$ 4,263,000	\$ 3,738,000	\$ 3,038,000	\$ 2,163,000	\$ 1,125,000	\$ -
Population 33,380	Total TIF Districts Debt	Per Capita 151		\$ 5,023,759	\$ 6,175,097	\$ 7,928,556	\$ 4,260,849	\$ 4,749,730	\$ 11,016,067	\$ 1,146,938
	Annual Debt Payment	1,052	\$ 35,100,000	\$ 31,448,000	\$ 26,473,000	\$ 19,508,000	\$ 16,003,000	\$ 11,858,000	\$ 1,125,000	\$ -
	TIF Districts Debt Total			\$ 31,448,000	\$ 26,473,000	\$ 19,508,000	\$ 16,003,000	\$ 11,858,000	\$ 1,125,000	\$ -